

HOUSE BILL No. 1589

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-7-14-25.1.

Synopsis: Approval of redevelopment commission bond issues. Provides that a bond issue of \$5,000,000 or more by a redevelopment commission located outside Marion County is subject to the approval of the legislative body of the city, town, or county that established the redevelopment commission.

Effective: Upon passage.

Avery, Weinzapfel

January 16, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1589

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 36-7-14-25.1, AS AMENDED BY P.L.90-2002,
2 SECTION 473, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: Sec. 25.1. (a) In addition to other
4 methods of raising money for property acquisition or redevelopment in
5 a blighted area, and in anticipation of the special tax to be levied under
6 section 27 of this chapter, the taxes allocated under section 39 of this
7 chapter, or other revenues of the district, or any combination of these
8 sources, the redevelopment commission may, by resolution **and**
9 **subject to subsection (p)**, issue the bonds of the special taxing district
10 in the name of the unit. The amount of the bonds may not exceed the
11 total, as estimated by the commission, of all expenses reasonably
12 incurred in connection with the acquisition and redevelopment of the
13 property, including:
14 (1) the total cost of all land, rights-of-way, and other property to
15 be acquired and redeveloped;
16 (2) all reasonable and necessary architectural, engineering, legal,
17 financing, accounting, advertising, bond discount, and



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supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds;

(3) capitalized interest permitted by this chapter and a debt service reserve for the bonds to the extent the redevelopment commission determines that a reserve is reasonably required; and
(4) expenses that the redevelopment commission is required or permitted to pay under IC 8-23-17.

(b) If the redevelopment commission plans to acquire different parcels of land or let different contracts for redevelopment work at approximately the same time, whether under one (1) or more resolutions, the commission may provide for the total cost in one (1) issue of bonds.

(c) The bonds must be dated as set forth in the bond resolution and negotiable, subject to the requirements of the bond resolution for registering the bonds. The resolution authorizing the bonds must state:

- (1) the denominations of the bonds;
- (2) the place or places at which the bonds are payable; and
- (3) the term of the bonds, which may not exceed fifty (50) years.

The resolution may also state that the bonds are redeemable before maturity with or without a premium, as determined by the redevelopment commission.

(d) The redevelopment commission shall certify a copy of the resolution authorizing the bonds to the municipal or county fiscal officer, who shall then prepare the bonds, **subject to subsection (p)**. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(e) The bonds must be executed by the appropriate officer of the unit, and attested by the municipal or county fiscal officer.

(f) The bonds are exempt from taxation for all purposes.

(g) The municipal or county fiscal officer shall give notice of the sale of the bonds by publication in accordance with IC 5-3-1. The municipal fiscal officer, or county fiscal officer or executive, shall sell the bonds to the highest bidder, but may not sell them for less than ninety-seven percent (97%) of their par value. However, bonds payable solely or in part from tax proceeds allocated under section 39(b)(2) of this chapter, or other revenues of the district may be sold at a private negotiated sale.

(h) Except as provided in subsection (i), a redevelopment commission may not issue the bonds when the total issue, including bonds already issued and to be issued, exceeds two percent (2%) of the adjusted value of the taxable property in the special taxing district, as determined under IC 36-1-15.

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(i) The bonds are not a corporate obligation of the unit but are an indebtedness of the taxing district. The bonds and interest are payable, as set forth in the bond resolution of the redevelopment commission:

(1) from a special tax levied upon all of the property in the taxing district, as provided by section 27 of this chapter;

(2) from the tax proceeds allocated under section 39(b)(2) of this chapter;

(3) from other revenues available to the redevelopment commission; or

(4) from a combination of the methods stated in subdivisions (1) through (3).

If the bonds are payable solely from the tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources, they may be issued in any amount without limitation.

(j) Proceeds from the sale of bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issuance.

(k) All laws relating to the giving of notice of the issuance of bonds, the giving of notice of a hearing on the appropriation of the proceeds of the bonds, the right of taxpayers to appear and be heard on the proposed appropriation, and the approval of the appropriation by the department of local government finance apply to all bonds issued under this chapter that are payable from the special benefits tax levied pursuant to section 27 of this chapter or from taxes allocated under section 39 of this chapter.

(l) All laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers to remonstrate against the issuance of bonds apply to bonds issued under this chapter, except for bonds payable solely from tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources.

(m) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(n) Any amount remaining in the debt service reserve after all of the bonds of the issue for which the debt service reserve was established have matured shall be deposited in the allocation fund established under section 39(b)(2) of this chapter.

(o) If bonds are issued under this chapter that are payable solely or in part from revenues to the redevelopment commission from a project or projects, the redevelopment commission may adopt a resolution or

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1 trust indenture or enter into covenants as is customary in the issuance
2 of revenue bonds. The resolution or trust indenture may pledge or
3 assign the revenues from the project or projects, but may not convey or
4 mortgage any project or parts of a project. The resolution or trust
5 indenture may also contain any provisions for protecting and enforcing
6 the rights and remedies of the bond owners as may be reasonable and
7 proper and not in violation of law, including covenants setting forth the
8 duties of the redevelopment commission. The redevelopment
9 commission may establish fees and charges for the use of any project
10 and covenant with the owners of any bonds to set those fees and
11 charges at a rate sufficient to protect the interest of the owners of the
12 bonds. Any revenue bonds issued by the redevelopment commission
13 that are payable solely from revenues of the commission shall contain
14 a statement to that effect in the form of bond.

15 **(p) If the total principal amount of bonds authorized by a**
16 **resolution of the redevelopment commission is equal to or greater**
17 **than five million dollars (\$5,000,000), the bonds may not be issued**
18 **without the approval, by resolution, of the legislative body of the**
19 **unit.**

20 SECTION 2. An emergency is declared for this act.

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